GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3430
ANSWERED ON:05.08.2016
Food Inflation
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Will the Minister of FINANCE be pleased to state:

(a) the food inflation and retail inflation levels in the country for the last three years;

(b) the steps taken by the Government to reign in rising costs of food articles and vegetables;

(c) whether the Government has plans to intervene through policy to revive consumer spending and investment; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) The headline and food inflation in the country based on Consumer Price Index (Combined) for the last three years is given in Table 1 below:

Table 1: General and food inflation based on CPI (Combined)
(in per cent)

	2013-14	2014-15	2015-16
General/Headline	9.5	5.9	4.9
Food (CFPI*)	11.3	6.4	4.9

Source: Central Statistics Office *CFPI: Consumer Food Price Index

(b) to (d) The Government has undertaken a number of measures to curb inflation, in particular, food inflation. The steps taken, inter alia, include, (i) increased allocation of Rs 900 crore for Price Stabilization Fund in the budget 2016-17 to check volatility of prices of essential commodities, in particular of pulses. (ii) decision taken to create buffer stock of Kharif and Rabi pulses through domestic procurement and imports; (iii) announced higher Minimum Support Prices so as to incentivize production; (iv) issued advisory to States/UTs to take strict action against hoarding and black marketing under the Essential Commodities Act 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980; (v) imposed 20 per cent duty on export of sugar. The prevailing higher food inflation is mainly on account of supply side constraints and the Government has taken several steps to augment the production and supply of the key commodities.
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